

# West Virginia Public Employees Insurance Agency Financial Plan

## Employer & Employee Premiums Remain Unchanged in FY 2008 & Implement Retiree COB Change

**FY 2008 Transfer to Retiree Trust of \$34,000,000 for State Fund and \$4,761,728 for Local Fund**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Additional Employer Premiums</b>	\$ 5,000,000	\$ -	\$ 30,000,000	\$ 40,000,000	\$ 55,000,000
Increase	1%	0%	7%	9%	11%
<b>Local Fund Premium Increase</b>	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 11,000,000	\$ 11,000,000
Increase	3%	0%	3%	15%	13%
<b>Retiree Premium Increase</b>	\$ 4,100,000	\$ (30,600,000)	\$ 3,000,000	\$ 4,200,000	\$ 6,100,000
Increase	7%	-46%	8%	10%	12%
<b>Employee Premiums</b>	\$ 11,700,000	\$ -	\$ 7,500,000	\$ 10,000,000	\$ 13,800,000
Increase	14%	0%	8%	10%	12%
<b>Direct Transfer</b>	\$ 6,700,000	\$ -	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
<b>Managed Care Capitations</b>	\$ 4,858,561	\$ 2,672,209	\$ 5,611,638	\$ 6,172,802	\$ 6,790,082
Increase	10%	5%	10%	10%	10%
<b>Provider/Benefit Reductions</b>	\$ -	\$ 43,450,000	\$ -	\$ -	\$ -
<b>Medicare Part D Revenue</b>	\$ 20,000,000	\$ 23,000,000	\$ 27,000,000	\$ 32,000,000	\$ 38,000,000
<b>Administrative Increases</b>	\$ 1,152,662	\$ 1,210,296	\$ 1,270,810	\$ 1,334,351	\$ 1,401,068
Increase	5%	5%	5%	5%	5%

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Beginning Reserve</b>	\$ 219,892,342	\$ 260,388,902	\$ 254,875,393	\$ 218,344,084	\$ 178,598,103
<b>Fiscal Year Results</b>	40,496,560	(5,513,509)	(36,531,309)	(39,745,982)	(32,383,248)
<b>Ending Reserve</b>	260,388,902	254,875,393	218,344,084	178,598,102	146,214,855
Percent of Expenses	38%	33%	26%	19%	14%
<b>Required Reserve</b>	\$ 67,815,642	\$ 76,478,913	\$ 84,075,177	\$ 92,852,842	\$ 102,801,636
<b>Deficiency</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Local Agency Reserve</b>	\$ 26,387,177	\$ 25,009,229	\$ 19,359,125	\$ 16,196,099	\$ 15,122,470
Percent of Expenses	35%	30%	21%	16%	14%
<b>State Share</b>	81%	80%	80%	80%	80%
<b>Employee Share</b>	19%	20%	20%	20%	20%
<b>Growth In Program Expenses</b>	8.6%	2.4%	12.8%	9.9%	10.4%
<b>Retiree Subsidy</b>	\$ 113,698,000	\$ 130,221,508	\$ 148,661,078	\$ 165,300,996	\$ 183,319,161
Percent Paid By Retiree	32.6%	19.3%	19.2%	19.6%	20.5%